



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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September 23, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

SACRAMENTO UPDATE

This memorandum provides an update on the State's response to the Federal Court order to provide a plan to reduce the State prison population over two years; a pursuit of County position on a bill, which would authorize the use of Nurse-Family Partnership Program grant funds; and the status of one County-advocacy bill.

Corrections Reform Update

After unsuccessfully requesting the U.S. Supreme Court to extend the deadline to submit a plan to reduce the State's prison population, on September 18, 2009, the State filed its plan with the three-judge Federal Court panel. The plan was filed in response to the Court's August 4, 2009 order directing the State to provide a plan within 45 days to reduce the State prison population, over two years, to 137.5 percent of its design capacity. The State's appeal of the court order is still pending before the U.S. Supreme Court and is not affected by the filing of this plan. However, the State contends that reducing the prison population as ordered by the Court cannot be accomplished without compromising public safety, and instead provided a plan that could reach that goal over five years.

The State's plan consists of three parts: 1) legislative changes contained in SBX3 18 (Ducheny) including parole reform, credit earning enhancements, community corrections performance incentives, and parole reentry courts; and those changes

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which can be accomplished administratively, including placing additional inmates out of State, commuting sentences to expedite deportation of inmates, and increasing the use of electronic monitoring as an alternative to parole revocation and incarceration; 2) construction projects to increase housing capacity, improve services to the mentally and medically ill, and provide secure community reentry facilities; and 3) additional proposed legislative reforms which were not included in SBX3 18.

The additional legislative reforms proposed in the State's plan include: 1) extending the 2011 sunset date for the existing out-of-State placement program; 2) changing the threshold for the felony designation of grand theft crime; 3) authorizing an alternative to custody program for lower-risk offenders, including those convicted of non-serious, non-violent, and non-sex crimes, which would allow eligible offenders to serve the last 12 months of their sentence under house arrest with electronic monitoring; 4) accelerating construction of additional prison beds; and 5) creating a permanent, independent sentencing commission that would set sentencing guidelines annually.

The State projects that implementation of the reforms for which it has authority will result in a prison population of approximately 155 percent of design capacity within three years, and approximately 147 percent within five years. If the proposed legislative reforms are enacted, the State anticipates that the population will fall to 139 percent of capacity over three years, and 132 percent over five years.

Pursuit of County Position on Legislation

AB 543 (Ma), as amended on August 24, 2009, would authorize the use of Nurse-Family Partnership (NFP) Program grant funds as a match for other grants administered by the California Department of Public Health (CDPH). It would extend the date on which the California Families and Children Account would cease to exist from January 1, 2009 to January 1, 2014, if it has insufficient funds to implement the NFP Program.

The NFP Program provides grants for voluntary nurse home visiting programs for expectant first-time mothers, their children, and their families. Existing law prohibits the use of grant funds to match other grants administered by the CDPH. The California Families and Children Account was established to accept private donations to fund the NFP Program. Existing law only allows grants to be distributed from the account if the Director of Finance determines that there are sufficient funds from private donations in the account. If there are not sufficient funds on deposit by January 1, 2009, the account would cease to exist.

AB 543 would permit the CDPH to accept Federal grants for purposes of the NFP Program. It would require the program to be implemented if the Director of Finance determines that at least \$500,000 is available in the account. If this determination is not made by January 1, 2014, it would require that the California Families and Children Account cease to exist and funds in the account immediately be distributed to each contributor.

In a 2005 study of early childhood programs, the RAND Institute reported that by the time a child in the NFP Program had reached 15 years of age, the program costs would have totaled over \$9,000, but would have provided societal benefits of approximately \$26,300. A 1997 RAND Institute study found that the NFP Program generated higher tax revenues from increased employment and earnings; decreased welfare enrollment; reduced expenditures for education, health, and other services; and lowered criminal justice system costs from arrest, adjudication, and incarceration.

The Department of Public Health (DPH) estimates that Los Angeles County currently saves over \$21.0 million annually through the close in-home monitoring and services provided under the NFP Program, and that expansion of the program by only one nurse who can serve 25 families would result in approximately \$1.37 million in benefit savings for the County each year. DPH and this office support AB 543 because it would assist the NFP Program to continue to provide these important services. **Consistent with existing Board policy to support increased funding for public health activities, including maternal and child health, the Sacramento advocates will support AB 543.**

AB 543 is supported by the American Federation of State, County, and Municipal Employees, AFL-CIO; California Commission on the Status of Women; Child Abuse Prevention Center; the County of San Diego; Fight Crime, Invest in Kids California; and the Junior Leagues of California State Public Affairs Committee. It is opposed by Great Kids, Incorporated.

On September 3, 2009, the Assembly unanimously concurred with Senate amendments to AB 543 by a vote of 77 to 0, and the bill is now on the Governor's desk. As an urgency measure, AB 543 would be effective upon the Governor's signature.

Legislation of County Interest

On September 22, 2009, Governor Schwarzenegger signed AB 1422 (Bass), which restores \$194.0 million in funding for the Healthy Families Program to prevent the loss of benefits for nearly 700,000 children statewide through the transfer of First Five California funding, and by imposing a 2.35 percent tax on gross premiums on Medi-Cal

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managed care providers, increasing in premiums paid by families enrolled in the Healthy Families Program, and continuing the existing fee on Medi-Cal managed care plans.

We will continue to keep you advised.

WTF:RA
MR:VE:MS:sb

c: All Department Heads
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